

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of
Engelhardt et al.
Application No. 08/182,621
Filed: January 13, 1994
Atty Docket No. ENZ-52

OFFICE OF PETITIONS
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**REQUEST TO VACATE ORDER TO SHOW CAUSE WHY DECISION
REVIVING THIS APPLICATION SHOULD NOT BE VACATED**

Sir:

This is a Request to Vacate the Order to Show Cause Why Decisions Reviving Applications Should Not Be Vacated ("Order") issued in the above-captioned application. A Request to Expedite the treatment of this Petition and a Petition to Ex parte are being submitted separately.

Petitioner respectfully urges that no fees are due because the Show Cause Order was improperly issued. Nevertheless, should the PTO determine that any fees are required to have the Order vacated, including any extension of time fees, the PTO is authorized to charge Deposit Account No. 50-2929, making reference to Docket Number J10006.

Background

The instant application first became abandoned on March 18, 1994, for failure to reply to the Notice of Missing Parts ("Notice") mailed February 17, 1994. It is not clear from the USPTO record of this file if and when a Notice of Abandonment was mailed.

Ron Fedus, patent counsel for the assignee, Enzo Biochem, Inc. ("Enzo"), filed a petition to revive under 37 C.F.R. § 1.137(b) on December 22, 1994.

At that time, Rule 1.137(b) required a Petitioner to: (i) state that the delay was unintentional; (ii) file a proposed response; and (iii) pay a fee within one year of the date of abandonment. 37 C.F.R. § 1.137(b) (1993); *see also* Manual of Patent Examining Procedure (MPEP) § 711.03(c), which was not amended in conformance with the September 20, 1993, amendments to 37 C.F.R. § 1.137(b) until 6th Ed., Rev. 1, Sept. 1995 ("A decision on a petition to revive ... under 37 C.F.R. § 1.137(b) is based substantially on whether the statement that the delay was unintentional is present along with the required fee and the proposed response.")

In his petition, Mr. Fedus stated that "the delay in responding to the February 17, 1994 Notice and the Notice to Comply With Sequence Rules was unintentional and there was no intent to abandon the application." Mr. Fedus also filed a proposed reply to the Notice (filing and claim fees, an executed Declaration, and an amendment and submission to secure compliance with the "Sequence Rules") and paid the required fee within one year of the abandonment. The USPTO granted Mr. Fedus' petition to revive on March 6, 1995. The decision was signed by two officials of the Office of Petitions— Stacy Hoffman and Frances Hicks.

The instant application again became abandoned on December 1, 1995 for failure to reply to the Office action of October 31, 1995. A Notice of Abandonment was mailed on June 12, 1996.

Mr. Fedus filed a petition to revive under 37 C.F.R. § 1.137(b) on October 1, 1996. The requirements for this petition were the same as for the petition filed on December 22, 1994.

In his petition, Mr. Fedus stated that the application was "unintentionally abandoned," and that "the delay in taking action was unintentional." Mr. Fedus also filed a proposed reply to the outstanding Office action and paid the required fee within one year of the date of abandonment. The USPTO granted Mr. Fedus' petition to revive on November 26, 1996. The decision was signed by Stacy Hoffman, who noted that the petition was timely as it was filed within one year of the date of abandonment.

This application again became abandoned on July 10, 1997, for failure to reply to the Office action of April 9, 1997. A Notice of Abandonment was mailed November 12, 1997.

Mr. Fedus filed a petition to revive under 37 C.F.R. § 1.137(b) on February 3, 1998.

At that time, Rule 1.137(b) required a Petitioner to: (i) state that "the entire delay in filing the required reply from the due date for the reply until the filing of grantable petition was unintentional"; (ii) file a proposed response; (iii) pay a fee, and, as here (iv) file a terminal disclaimer equivalent to the period of abandonment. 37 C.F.R. § 1.137(b) (1997); *see also* MPEP § 711.03(c), 7th Ed. (July 1998) ("the Office will generally require only the statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 C.F.R. 1.137(b) was unintentional.")¹

In his petition, Mr. Fedus noted that Enzo records did not show receipt of the Notice of Abandonment, and stated that the application was "unintentionally abandoned," and that "the delay in taking action was unintentional." Mr. Fedus also filed a proposed reply (one continuation application and two divisional applications) and paid the required fee. A terminal disclaimer was filed on April 14, 1998. The USPTO granted Mr.

¹ The requirement for filing a petition within one year of the abandonment was removed effective December 1, 1997.

Fedus' petition to revive on April 15, 1998, and accepted the terminal disclaimer for a period of 9 months. The decision was signed by Frances Hicks.

On July 2, 2008, *more than ten years* after its last decision granting a petition to revive the instant application, the USPTO issued the instant Order. The Order requires Enzo to show cause why the USPTO should not vacate its earlier decisions reviving the application.

In its Order, the USPTO indicates that during all periods relevant to the decisions on petition in this application, Enzo was required to “show that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition was unintentional”. Order, page 6. The USPTO also contends that Mr. Fedus' testimony in an unrelated deposition proceeding supported an inference that the delay was actually intentional. *Id.* at page 12.

A. The USPTO Is Applying the Wrong Standard For The Petitions to Revive

1. 37 C.F.R. § 1.137(b) Required A Statement That The *Delay* Was Unintentional For the Petitions filed in 1994 and 1996

The USPTO erroneously asserts that Enzo was required to “show that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition” was unintentional. Order, page 6. In fact, such a “showing” was not required for the petitions to revive filed in 1994 and 1996. *See* C.F.R. § 1.137(b) (1993). Rather, Enzo was only required to *state* that the delay was unintentional, which it did. *Id.* The USPTO accepted the statements as made in each petition and revived the application.

**2. In 1998, 37 CFR 1.137(b) Only Required A Statement—
Not a Showing—That “The Entire Delay ... Was Unintentional”**

The requirement for a “showing” is automatically imposed on petitions under 37 C.F.R. § 1.137(a). *See* MPEP 711.03(c), subsection III, paragraph (F) (7th Ed. July 1998). Such a showing, however, is not required for petitions filed under 37 C.F.R. § 1.137(b). Rather, in 1998, Enzo was only required under the terms of 37 C.F.R. § 1.137(b), to include a statement that “the entire delay ... was unintentional.” The USPTO accepted Mr. Fedus’s statement of unintentional delay and revived the application.

At the time Mr. Fedus filed his petitions, 37 C.F.R. § 1.137(b) authorized the USPTO to seek additional information if there was a question whether the delay was unintentional. The USPTO declined to do so on three separate occasions. Indeed, neither Stacy Hoffman nor Frances Hicks, who co-signed the first decision, sought any additional information when considering Mr. Fedus’s second and third petitions, respectively. The USPTO has not provided any basis, nor is there any basis apparent in the instant file or the regulations themselves, for belatedly second-guessing its decisions and requiring that Enzo show cause why these decisions should not vacated.

**3. The USPTO Has Not Provided Any Evidence That the Delay Was
Intentional**

The MPEP in effect in December 1994 and October 1996, makes clear that a petition to revive under 37 C.F.R. § 1.137(b) will generally be granted, unless there is some reason to believe that the abandonment (or the delay) was intentional:

Generally, nothing else is required unless *there is reason to believe that the abandonment was intentional* such as a letter of intentional abandonment being of record in the abandoned application. In such instance, the Office might inquire as to the circumstances surrounding the

abandonment in order to clarify that the abandonment was, in fact, unintentional.

MPEP § 711.03(c) (5th Ed., Rev. 14, Nov. 1992) (emphasis added). This section was not revised consistent with the 1993 rule change until September 1995 (6th Ed., Rev. 1) and the only change was simply that a petition to revive under 37 C.F.R. § 1.137(b) will generally be granted, unless there is some reason to believe that the *delay* was intentional.

MPEP section 711.03(c) was not amended to reflect the 1997 rule change until July 1998 (7th Ed.), *i.e.*, after the third petition was granted (April 15, 1998) This section stated: :

While the Office will generally require only the statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137(b) was unintentional, the Office may require an applicant to carry the burden of proof to establish that the delay from the due date for the reply until the filing of a grantable petition was unintentional within the meaning of 35 U.S.C. 41(a)((7) and 37 CFR 1.137(b) where there is a question whether the entire delay was unintentional. *See Application of G*, 11 USPQ2d at 1380.

MPEP section 711.03(c), subsection III, paragraph (F).

The USPTO has provided no evidence that the delay herein was intentional. Instead, it merely alleges that Mr. Fedus' testimony in an unrelated proceeding, and a purported "pattern" of abandonment and delay, supports an inference that Enzo's delay in this case was intentional. Enzo respectfully submits that neither of these pieces of information supports the Order.

First, nothing in Mr. Fedus' testimony suggests that he intentionally abandoned the instant application, intentionally delayed in filing the petitions to revive, or intentionally

delayed the prosecution of the inventions(s) described in this application.² Mr. Fedus testified that as far as he could recall, the delay in filing a petition to revive in a different, unrelated application was due in part to "dealing with the previous office action, trying to figure out the response to reply," and "preparing a response to the last office action." Order, page 12. But this testimony is irrelevant to the instant application or whether its abandonment, or its delay, was intentional. Moreover, even if this testimony was relevant, Mr. Fedus' explanation is reasonable. Once a party realizes that an application has been unintentionally abandoned, it always takes some amount of time to investigate the circumstances that led to abandonment and prepare and finalize a response. The USPTO has failed to show that Mr. Fedus' actions in this case, or his testimony in an unrelated proceeding, is in any way unreasonable. Rather, the evidence of record demonstrates that Mr. Fedus' actions were reasonable and the delay was unintentional.

Second, the purported "pattern" referenced in the Order relates to abandonments and revivals in *other applications* occurring after the abandonments and revivals of the instant application. But this information has nothing whatsoever to do with the instant application or whether its delay was intentional.

Accordingly, since Enzo complied with 37 C.F.R. § 1.137(b) in effect at the time the petitions to revive were filed, and since the USPTO has not provided any evidence that the delay in this application was intentional, Enzo respectfully requests that the Order be vacated.

² See *Goss International v. MAN Roland, Inc.*, No. 03-CV-513-SM, 2006 U.S. Dist. LEXIS 53245 at * 5 (court distinguishing between abandonment of an application that may be revived under 37 C.F.R. § 1.137(b) *e.g.*, as evidenced by the filing of a continuation application to further prosecute the disclosed invention, and the irremediable abandonment of the invention itself.) In this case, Enzo continued to prosecute the inventions disclosed in the instant application through subsequent continuing applications.

B. The Order—Issued More Than Ten Years After The USPTO's Grant of Enzo's Petitions— Is Unreasonable

Under 37 C.F.R. § 1.137(b), the USPTO "may require additional information where there is a question whether the delay was unintentional." 37 C.F.R. § 1.137(b)(3) (Sept. 20, 1993; Dec. 1, 1997). The USPTO considered the matter of delay in this application *three times* and accepted in each instance counsel's statements without requiring additional information. Equity, fairness, and procedural due process estop the USPTO from demanding such information *more than ten years* after granting the petitions to revive.³

Courts have held that an agency may reconsider its decisions so long as it does so "within a reasonable time after the first decision." *See Belville Mining Company v. United States of America*, 999 F.2d 989, 997 (6th Cir. 1993) (citing *Dun & Bradstreet Corp. Found. v. United States Postal Serv.*, 946 F.2d 189, 193 (2d Cir. 1991); *Mazaleski v. Treusdell*, 562 F.2d 701, 720 (D.C. Cir. 1977); *Bookman v. United States*, 453 F.2d 1263, 1265 (Ct. Cl. 1972)). The U.S. Court of Claims has explained that, "absent contrary legislative intent or other affirmative evidence, this court will sustain the reconsidered decision of an agency, as long as the administrative action is conducted within a *short and reasonable time period*." *Belville Mining Company*, 999 F.2d at 1000 (citing *Bookman v. United States*, 453 F.2d at 1265) (emphasis added). The Court of Claims later clarified that "[w]hat is a short and reasonable time period will vary with each case, but absent unusual circumstances, *the time period would be measured in weeks, not years*." *Id.* at 1000 (citing *Gratehouse v. United States*, 512 F.2d 1104, 1109 (Ct. Cl. 1975)) (emphasis added). The court added that since this reasonable time period has run, 'there

³ *See In re Zacharin*, 1 USPQ2d 1413, 1417 (Comm'r Pat. 1986) ("[i]t is not in the public interest to permit government employees or Government agencies to belatedly "re-open" appeals to reargue the sufficiency of the evidence or supplement the record.")

is no longer an opportunity to correct the procedural error retroactively.' *Id.* at 997 (citing *Gratehouse*, 512 F.2d at 1109).

What constitutes a "short and reasonable time" within which an agency may reconsider its decisions will depend on the facts of each case. *See Gratehouse*, 512 F.2d at 1104, 1109. Nevertheless, numerous courts have found that periods of more than one year are not "short and reasonable time[s]." *See id.* at 1110 (holding that a "hearing 2 years after a hearing could have been held was far too late to qualify as reconsideration."); *C.J. Langenfelder & Son, Inc. v. United States*, 341 F.2d 600, 604 (Ct. Cl. 1965) (holding that reconsideration made more than a year after original decision was "much more than a 'reasonable period.'"); *Gabbs Exploration Co. v. Udall*, 315 F.2d 37 (D.C. Cir. 1963) (holding passage of 27 years made agency reconsideration untimely); *Umpleby v. Udall*, 285 F.Supp. 25, 30 (D. Colo. 1968) (holding reconsideration after 16 years to be untimely).

In this case, the USPTO is reconsidering the grants of three petitions to revive rendered *over 10 years ago*. This is far more than a "short and reasonable" time. As a result, Enzo is placed at an unfair disadvantage. Indeed, there are numerous problems associated with long lapses in time, including, for example, faded memories. That is certainly true in this case. *See, e.g.*, Order at page 12 ("attorney Fedus explains the delay *to the extent that he can recall...*") (emphasis added). The USPTO has thus exceeded its authority in seeking to reconsider its over ten year-old decisions to revive this application. Accordingly, Enzo respectfully requests that the Order be vacated.

C. Office Personnel Not to Express Opinion on Validity, Patentability or Enforceability of Patent

Application serial number 09/302,816, which matured into U.S. Patent No. 6,986,985, claims the benefit of the instant application under 35 U.S.C. § 120.

The MPEP states:

Public policy demands that every employee of the United States Patent and Trademark Office (USPTO) refuse to express to any person any opinion as to the validity or invalidity of, or the patentability or unpatentability of any claim in any U.S. patent, except to the extent necessary to carry out (A) an examination of a reissue application of the patent, (B) a reexamination proceeding to reexamine the patent, or (C) an interference involving the patent. The question of validity or invalidity is otherwise exclusively a matter to be determined by a court. Likewise, the question of enforceability or unenforceability is exclusively a matter to be determined by a court.

MPEP § 1701 (8th Ed., 6th Rev.)

In now raising the question as to the appropriateness of the statements of unintentional delay made long ago in this application, and thus the correctness of revival, the Order impliedly and improperly casts aspersions on the validity or enforceability of U.S. Patent No. 6,986,985. *See* Order, page 11. This is contrary to USPTO policy as set forth in the MPEP. Accordingly, because USPTO employees are not permitted to express any opinion as to the validity or enforceability of any claim in any U.S. patent, except under specific circumstances, Enzo respectfully requests that the Order be vacated.

D. Relief Requested

As discussed above, it is respectfully requested that the USPTO provide the following relief:

1) Vacate the Order issued in the above-captioned application as an untimely attempt to reconsider previous decisions of the USPTO and as being based on insufficient evidence that the earlier grants of petitions under 37 C.F.R. § 1.137(b) filed in the instant application were improper;

2) Expunge from the public record any mention of confidential applications currently referenced in the Order to Show Cause for the instant application as requested in a concurrently filed petition to Expunge under 37 C.F.R. § 1.181; and

3) Reset the time period for responding to the Order to Show Cause to run from the date of decision on the concurrently filed Request to Expunge.

Conclusion


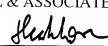
In view of the above remarks, early notification of a favorable consideration is respectfully requested.

Respectfully submitted,

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Dated: October 27, 2008

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